

NETWORK **1** FINANCIAL
ADVISORS, INC.

Item 1 – Cover Page

FIRM BROCHURE

(in accordance with Form ADV, Part 2A)

March 31, 2023

NETWORK 1 FINANCIAL ADVISORS, INC. (CRD# 121239; the “Company,” “we,” “our”) is an investment adviser registered with securities regulatory authorities in the following states: **Connecticut, Florida, Georgia, New Jersey, New York, North Carolina, Oregon, Pennsylvania, and Texas.** The Company is, therefore, authorized to offer clients in these states such advisory services as are described in this Company brochure (the “**Brochure**”). Registration of an investment adviser with the U.S. Securities Exchange Commission (“**SEC**”) and state securities authorities, however, does not imply any level of skill or training outside of certain qualification standards for individual investment adviser representatives.

Form ADV, as amended from time to time, is the uniform form used by investment advisers to register with both the SEC and state securities authorities. The Company is not registered with the SEC.

Part 2 of Form ADV requires investment advisers like the Company to prepare narrative brochures written in “plain English” that contain information such as the types of advisory services offered, the adviser’s fee schedule, disciplinary information, conflicts of interest, and the educational and business background of management and key advisory personnel of the adviser. State investment adviser laws and regulations, similar to Rule 204-3 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), generally require registered investment advisers to provide to each client without charge, annually within 120 days of the adviser’s fiscal year end, if there are material changes to the Brochure since the last annual update, either (i) the current Brochure that includes (or is accompanied by) all material amendments to date or (ii) a Summary of Material Changes that includes an offer to provide a copy of the current Brochure without charge to the client, accompanied by the adviser’s e-mail address and telephone number (the Company does not have a web site; see the bottom of this page for the Company’s contact information). This Brochure provides information about the Company’s qualifications and business practices. Along with other written or oral communication, it is intended to assist you in determining whether to engage the Company and to keep you informed of material developments in the Company’s advisory services.

Additional information about the Company is available on the SEC’s “Investment Adviser Public Disclosure (IAPD) System” web site, under the link to “Investment Adviser Search” at: [http://www.adviserinfo.sec.gov/\(S\(vofz4lctr1xbn1onq1pifbk3\)\)/IAPD/Content/Search/iapd_Search.aspx](http://www.adviserinfo.sec.gov/(S(vofz4lctr1xbn1onq1pifbk3))/IAPD/Content/Search/iapd_Search.aspx).

The SEC’s IAPD web site also provides information about the individuals associated with the Company who are registered or required to be registered as investment adviser representatives of the Company.

THE INFORMATION CONTAINED IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE SEC OR BY ANY STATE SECURITIES AUTHORITY. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 1-800.886.7007.

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Notes on the contents hereof are provided in the ENDNOTES at the end of this Brochure.

Item 2 – Material Changes

This Item 2 discusses only specific material changes that are made to the Brochure and provides clients with a summary of such changes.

1. The Company's total assets under management at year-end 2022 was \$83,436,847.83, of which \$ \$18,783,320.83 was discretionary and \$64,653,527.00 was non-discretionary.
2. Effective January 1, 2023, the Company was no longer engaged as a sub-adviser to Network 1 Financial Fund Adviser, LLC.

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Item 4 – Advisory Business

The Company was founded on June 2, 1998, fifty-percent (50%) of which is owned by its principal officer, William R. Hunt, Jr., in his individual capacity and fifty-percent (50%) is owned by the Article Third Trust U/W/O Richard W. Hunt F/B/O Madison Hunt, of which William R. Hunt, Jr. is the Trustee.

We offer the following services, described below.

A. INVESTMENT MANAGEMENT:

- Investment supervisory services (defined under Section 202(a)(13) of the Advisers Act as the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client.)
- Investment advice through consultations not included in investment supervisory services.

Investment advisory services include advising others as to the value of securities or as to the advisability of investing in, purchasing, selling or holding securities. At a client's request, the Company develops for each client a personal financial plan, and creates and manages an investment portfolio based on that plan through personal discussions with the client to establish the client's goals and objectives based on the client's particular circumstances.

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The Company offers these services to a wide range of clients, including average and high net worth individuals, retirement and profit-sharing plans, trusts, estates, charitable organizations, operating businesses, and private funds (including private equity funds, hedge funds, hybrid funds, venture capital funds, etc.).

The Company manages nearly all pension and 401K accounts on a non-discretionary basis. For discretionary accounts, the Company and its investment adviser representatives have, without obtaining specific client consent, authority to determine:

- The securities to be bought or sold.
- The amount of the securities to be bought or sold.
- The broker-dealer to effect the client's transactions and its commission rates.

The Company creates investment portfolios customized to each client, consisting of a wide range of securities, including but not limited to the following:

- Equity securities, including exchange-listed securities, securities traded over-the-counter ("OTC"), nonpublic (privately placed) securities, and equity securities issued by foreign companies
- Warrants
- Debt securities (convertible and nonconvertible), other than commercial paper
- Commercial Paper
- Certificates of Deposit
- Municipal securities
- Investment company securities, including separate accounts with assets derived from the sale of variable annuities and variable life insurance contracts, mutual fund shares, closed-end fund shares, and exchange traded funds
- United States Government securities
- Options contracts on securities and commodities
- Interests in partnerships and other pass-through income vehicles, including direct participation programs, that invest in real estate, oil and gas, and other interests

The Company allocates a client's assets among various investments, taking into consideration the overall objectives selected by the client.

Clients have the opportunity to place reasonable restrictions on the types of investments that the Company will make on their behalf. Clients retain individual ownership of all securities. In performing its services, the Company shall not be required to verify any information received from a client or from the client's professional representative and is expressly authorized to rely on the information the client provides.

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It is each client's responsibility to promptly notify the Company if there is a material change in such client's personal circumstances, financial situation or investment objectives, in order to enable the Company to effectively review, evaluate, and/or revise its latest recommendations and/or services.

B. FINANCIAL PLANNING:

The Company also offers clients financial planning expertise. The Company uses computer software that assists clients to determine their financial needs and strategies for retirement, educating children, planned giving, and significant purchases. The Company regularly advises individual clients on comprehensive plans for their financial circumstances, including retirement goals, college expenses, and estate planning.

In limited circumstances, the Company may recommend third-party advisers or financial planners to its clients. The Company may direct business to such third-party advisers or financial planners, primarily when services recommended to a client are beyond the Company's normal scope of investment expertise (for example, estate and trust administration, insurance programs, pension management and tax planning). Typically, those services would require very comprehensive and sophisticated investment programs for high net worth individuals and institutional clients.

C. ERISA SECTION 3(21) FIDUCIARY ADVISOR PRACTICE:

The Company offers Retirement Plan Consulting Services to Plan Sponsors (each an “**ERISA Client**”) and Plan Participants, which include certain limited scope investment advisory services pursuant to and consistent with Section 3(21) of the Employee Retirement Income Security Act (“**ERISA**”).¹

Specifically, the Company, through a qualified Investment Adviser Representative,

- 1) Will serve as an ERISA Section 3(21) Advisor Fiduciary, but not an ERISA Section 3(38) Advisory Fiduciary.
- 2) Will *assist* the ERISA Client in drafting the Investment Policy Statement (“**IPS**”) but *will not draft* the IPS.
- 3) Will *help design* the initial investment fund menu but will not “*build*” it.
- 4) Will provide *monitoring support* but will not exclusively monitor the Plan's investment portfolio and investment options.
- 5) Will *recommend* to the ERISA Client changes to the investment portfolio and investment options but will not *make those changes* for or on behalf of the ERISA Client or Plan Participants.
- 6) Will *recommend* mapping strategies but will not determine what those mapping strategies should or will be.
- 7) Will provide relevant documents to the ERISA Client consistent with being an ERISA Section 3(21) Advisor Fiduciary.

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- 8) Will provide ERISA Client and Plan Participants with the Company's Form ADV Part 2A and 2B disclosure documents, containing important additional information.
- 9) May *assist* in the preparation of employee communication materials but will *not draft* such communications.
- 10) May provide orientation to new Plan Participants and advise existing Plan Participants about their rights and options under the relevant Plan.
- 11) May *participate in the preparation* of reports provided by ERISA Client concerning Plan Participants' benefits but will *not draft* these communications.
- 12) May make recommendations to others for decisions with respect to Plan administration (as distinguished from Plan investment of Plan assets).

Throughout this relationship with the Company, the ERISA Client, as "Named Fiduciary of the Plan," will:

- 1) retain ultimate responsibility for drafting the IPS;
- 2) retain ultimate responsibility of building the initial investment fund menu;
- 3) retain ultimate responsibility for monitoring the investment fund menu;
- 4) retain ultimate responsibility for making all changes to all Plan Documents and fund menu;
- 5) retain ultimate responsibility for determining mapping strategies;
- 6) retain ultimate responsibility for building the Plan Design, Asset Diversification strategy, and Investment Monitoring;
- 7) exercise and retain ultimate control and management power over the Plan Assets; and
- 8) possess and retain authority to appoint and terminate all other fiduciaries of the Plan, including but not limited to adviser fiduciaries, Plan investment managers, Plan trustee (if the Plan is created as a Trust), and all other fiduciaries and administrators acting in support of and for the benefit of the Plan and Plan Participants.

The ERISA Client shall pay Retirement Plan Consulting Services fees in accordance with a fee schedule. Fees may be negotiable, depending on the size of the account and other factors.

The fees payable under the Retirement Plan Consulting Services Agreement are not paid from assets of the Plan. The fee is based upon the value of the assets in the portfolio using the following breakpoint fee schedule:

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Portfolio Management:	
Assets Valued At:	Account Fee Schedule
\$1,000,000 to \$5,000,000.00	Negotiated (not less than 0.25%)
\$5,000,000.01 and above	0.25%

All fees due are calculated based on the total value of the portfolio on the last business day of the previous billing period. Fees are billed in installments on a quarterly basis.

In addition to the fee schedule, a client may incur certain charges imposed by third parties in connection with investments made in their accounts, including, among others, mutual fund “Rule 12b-1” fees (fees paid by the fund out of fund assets to cover distribution expenses and sometimes shareholder service expenses), mutual fund management fees and administrative servicing fees, certain deferred sales charges on previously purchased mutual funds, clearing, custody and other transaction charges and fees, and account fees. In connection with the performance of their respective services, the Company and its designated Investment Adviser Representative are entitled to and shall share in the fees payable.

Fees payable under the Retirement Plan Consulting Services Agreement are subject to change, but only with advanced written notice by the Company.

C. DISCLOSURES OF SPECIFIC RELATIONSHIPS:

- William Richard Hunt, Jr., Miguel DeLeon Zarraga, Jr., Stephen Litwok, Robert T. Swikart, and Richard H. Neubert – each is an investment adviser representative of the Company and has referral accounts with Network 1 Financial Securities, Inc. (“**Network 1 Securities**”), an SEC-registered broker-dealer under common control with the Company and a member of the Financial Industry Regulatory Association, Inc. (“**FINRA**”) and the Securities Investor Protection Corporation (“**SIPC**”).
- Gary Kurtzman is an investment adviser representative of the Company and offers fundamental and technical advice to other investment advisers.
- The Company has engaged *Monmouth Investment Advisors, LLC* (an unaffiliated investment adviser owned by Richard L. Eckhoff, who is a registered representative of Network 1 Securities) as its sub-adviser.
- *Network 1 Financial Fund Advisors, LLC* is an SEC-reporting exempt reporting adviser under common control with the Company and wholly-owned by Network 1 Financial Group, Inc.

Independent, affiliated investment adviser representatives of the Company may also have CPA certifications. Neither the Company nor any of its affiliated companies will benefit financially from such certifications. Any compensation earned for accounting or other non-investment advisory services rendered by each holder of a CPA license will not be shared with the Company.

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In limited circumstances, the Company may engage in cross-transactions pursuant to which the Company may effect transactions between two of its managed client accounts (*i.e.*, arranging for trades of clients' securities by "crossing" these trades) when the Company believes that such transactions are beneficial to the respective clients. For all such transactions, neither the Company nor any affiliate thereof (*e.g.*, Network 1 Securities) will be acting as a broker, nor will either receive any commission or transaction-based compensation. The client may revoke the Company's cross-transaction authority at any time, upon written notice to the Company.

Item 5 – Fees and Compensation

Clients may engage the Company to implement investment recommendations, as follows:

A. ANNUAL INVESTMENT MANAGEMENT FEE

A client may engage the Company with compensation determined on an annual investment management fee. Two elements determine this fee: (1) the investment strategy/platform utilized for servicing client accounts; and (2) the amount due to the investment adviser representative (or unaffiliated third-party) through which a client was directed to the Company.

With respect to the first element, the Company's asset-based percentage that corresponds to the Company's strategies/platforms shall be in accordance with the following schedule:

Investment Strategy/Platform	Corresponding Percentage Charged
Allocation among mutual funds only	0.75% of assets under management
All other allocation strategies (1)	Up to 1.50% of assets under management

- (1) The Company charges each client between 0.75% and 1.50% of the assets allocated that use the SEI Investments Company ("SEI") Managed Account Program ("MAP") and Integrated Managed Account Program ("IMAP"). **Note that the Company is not an affiliate of SEI or its related entities.**

The Company charges each client between 0.45% and 1.50% of the assets allocated that use the AssetMark, Inc. investment platform (see Item 8 below). **Note that the Company is not an affiliate of AssetMark, Inc. or its related entities.**

The Company will add to the above-described percentages the amount due to the investment adviser representative (or unaffiliated-third party) through whom a client was directed to the Company. The end charge to the client's account will be between 1.25% and 2.50%. At the discretion of the investment adviser representative (or unaffiliated third party), such person may waive or reduce the amount due, resulting in a corresponding reduction in the fee charged to the client. The Company may accept a lower amount from the combined fees at its discretion.

The Company's annual investment management fee, including disbursements, shall be pro-rated and paid quarterly, after the end of the latest quarter, based upon the market value of the respective client's assets on the last day of the quarter, plus disbursements accumulated during the previous quarter.

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Notwithstanding the foregoing discussion of the determination of the annual investment management fee, the Company may, in its sole discretion, charge a lower investment management fee based upon certain criteria, including but not limited to a client's anticipated future earning capacity, a client's anticipated future additional assets, dollar amount of aggregate assets to be managed, related accounts, account composition, and terms negotiated with a client.

As of December 31, 2022, the amount of assets under management ("AUM") by the Company was as follows:

<u>Type of Accounts</u>	<u>AUM</u>
Discretionary	\$18,783,320.83
Non-discretionary	\$64,653,527.00
Total:	\$83,436,847.83

B. FINANCIAL PLANNING

The Company's hourly fee for financial planning is \$150.00 per hour (its minimum requirement is one (1) hour). The Company does not offer a set or "flat" non-hourly rate.

In limited circumstances, the Company may recommend clients to third-party advisers or financial planners. The Company may direct business to such third-party advisers or financial planners primarily when the proposed services recommended to its client are beyond the Company's level of expertise or outside its standard business services. Typically, this would apply to very complex and comprehensive investment programs (e.g., involving sophisticated estate or tax planning issues, international matters, etc.) for high net-worth clients. The Company is not responsible for nor does it determine the fees that such third parties charge.

C. OTHER ADVISORY SERVICES

The Company provides other advisory services on a fee-only or fee-offset basis in accordance with the particular circumstances and client preferences presented in each situation. A portion of the fee may be due in advance. "Balance due" and "progressive" billing arrangements are negotiable. The Company's compensation arrangements are negotiated to meet the needs of and maximize the value provided to each client. All sources of compensation are disclosed to the client in order to eliminate or minimize and disclose any conflict of interest that might arise.

Until January 1, 2023, the Company served as sub-adviser to *Network 1 Financial Fund Advisors, LLC*, an SEC exempt reporting adviser and the investment adviser to *Investors League Special Opportunity Fund I, L.P.*, with respect to certain assets of that fund.

D. REFUND POLICY

The Company charges its fees in arrears at the conclusion of each quarter and does not charge in advance for services to be rendered in future quarters. In the event a client is inadvertently charged prior to the end of the quarter and the client's relationship with the Company terminates, the

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Company shall refund any paid and unearned fees promptly and not more than thirty (30) days after the termination of the client's agreement with the Company.

E. INVESTMENT IMPLEMENTATION: COMMISSIONS

Unless directed otherwise by a client, the Company will automatically effect securities transactions through its related person, Network 1 Securities, a SEC-registered broker-dealer and member of FINRA and SIPC.

The brokerage commissions charged by Network 1 Securities may be higher or lower than those charged by other broker-dealers.

In addition to general securities commissions, Network 1 Securities may, with respect to transactions in mutual fund shares on behalf of the Company's clients and other customers of Network 1 Securities, receive ongoing Rule 12b-1 "trailing" commission compensation directly from the mutual fund issuer's distributor during the period that a client maintains the mutual fund investment. Such 12b-1 trailing commissions received by Network 1 Securities may be paid by Network 1 Securities to the Company as fees for ongoing management services.

Item 6 – Performance-Based Fees and Side-By-Side Management

The Company does **NOT** charge its clients performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client); accordingly, there are no conflicts of interest arising from the simultaneous management of accounts that are charged performance fees ("side-by-side management" services). It should be noted that Investors League Special Opportunity Fund I, L.P. and Network 1 Special Opportunities Fund LP each have the right to charge its investors a performance-based fee.

Item 7 – Types of Clients

The Company offers its investment advisory services to individuals (in particular, high net worth individuals), retirement and profit-sharing plans, trusts, estates, charitable organizations and other not-for-profit organizations, businesses of all types, and other investment advisers, including managers of private funds (private equity funds, hedge funds, "hybrid" funds, venture capital funds, etc.).

The Company provides investment supervisory services, or manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services, *and* imposes a \$10,000.00 minimum dollar value of assets or other conditions for starting and maintaining an account. In addition, we reserve the right to terminate a client's account if it falls below a minimum size that, in our sole opinion, is too small to manage effectively.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss²

The Company allocates investment management assets of its client accounts on a discretionary basis.

When implementing its investment strategies, the Company may utilize any of the following, after taking into consideration a client's investment objectives, risk tolerance, time horizons, etc.:³

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- Charting, fundamental, technical, and cyclical methods of analysis.
- Financial newspapers and magazines, inspection of corporate activities, timing services, company press releases, and annual reports, prospectuses, related filings with the SEC, and business rating services as sources of information.
- Long-term purchases, short-term purchase, short sales, margin transactions, and option writing (including covered options and spreading strategies).

The Company does not hold itself out to the public as a research analyst or providing such analysis, nor does it (a) build and/or maintain financial models for companies; (b) write company and industry specific research reports; (c) meet with senior management teams; or (d) perform such other functions that research analysts typically perform.

In accordance with each client's investment objectives, the Company allocates the client's investment management assets among (i) various individual debt and equity securities, (ii) no load and/or load-waived mutual funds, and/or (iii) one or more of the following proprietary investment management strategies:

- *Buy-Write* – this individually managed account strategy primarily seeks to derive current income from writing options on equity securities or major indexes, while attempting to limit downside principal risk in a volatile market. Since the strategy is designed to produce current income (and secondarily, corresponding short-term capital gains in the event of equity appreciation), it is not tax efficient and is primarily recommended for tax deferred accounts or accounts seeking current income.
- *Advanced Income* – this individually managed account strategy primarily seeks to generate income from market assets through our own proprietary investment strategy. This program is invested in the securities of a market index, therefore allowing a means to hedge the risk to the assets. This program is designed to provide a steady stream of current taxable income, with capital gains secondary to the investor. Since the strategy is designed to produce current income, it is not tax efficient and is primarily recommended for tax-deferred accounts or accounts seeking current income.
- *ETF Growth Program* – this growth-oriented program strategy is designed to identify and invest in those Exchange Traded Funds (“ETFs”) whose relative strength indicates that they should outperform the market, while attempting to avoid investing in under-performing ETFs. This program is not a tax-advantaged program.
- *Disciplined Growth* – this individually managed account strategy primarily seeks capital appreciation through the purchase and sale of equity securities. The holding period (and corresponding tax efficiency) of the strategy is dependent upon the Company's ongoing technical analysis of the equity holdings within the account.
- *Active Market (Aggressive Equity)* – this individually managed account strategy primarily seeks short-term capital appreciation through the purchase and sale of Spiders, Rydex funds, the SPDR Dow Jones Industrial Average ETF (Diamonds ETF), and/or other market indexes. More aggressive than the Disciplined Growth strategy, this strategy can be

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extremely volatile and is best suited for non-risk adverse interests or the aggressive portion of an investor's portfolio.

- *Strategic Asset Allocation (Mutual Funds)* – this individually managed account strategy primarily seeks to provide risk management and investor return by diversifying investments across multiple asset classes. It provides broad diversification and risk management in a mutual fund portfolio consistent with an investor's goals, constraints and time horizon. Asset classes can be classified in broad terms like stocks, bonds, and cash or they can be subdivided further into large-cap and small-cap, intermediate, and long-term, tax-free, high-yield, convertible and international classifications.

The Company maintains a sub-advisory relationship with *Monmouth Investment Advisors, LLC* (an unaffiliated investment adviser owned by Richard L. Eckhoff, who is a registered representative of Network 1 Securities) with respect to the Strategic Asset Allocation (Mutual Funds) program.

- *Monmouth Investment Advisors* selects mutual funds based on any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure.
- Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances.

SEI Advisor Network⁴ – Starting in 2012, the Company's clients have been able to participate in the SEI Managed Account Program ("MAP") and Integrated Managed Account Program ("IMAP"). **Note that the Company is not an affiliate of SEI or its related persons.**

- Under the MAP, SEI Investments Management Corporation ("SIMC")⁵ enters into a tri-party investment advisory agreement ("**Managed Account Agreement**") with the Company and its client to provide management of client assets allocated to the MAP in accordance with the terms of the Managed Account Agreement.
- Pursuant to the Managed Account Agreement, the client appoints the Company as its investment adviser to assist the client in selecting an appropriate asset allocation strategy and selecting available sub-advisers that have been assigned to the strategy by SIMC.
- The client appoints SIMC, through its manager-of-managers structure, to manage the assets in each MAP portfolio in accordance with the strategy selected by the client together with the Company
- Clients should note that they will be charged management and administrative fees, imposed at the MAP/IMAP level, in addition to Company fees.

AssetMark, Inc.⁶ – Starting in 2018, Advisory clients of the Company have been able to participate in the AssetMark Platform (the "**Platform**") of AssetMark, Inc. ("**AssetMark**"), a wholly-owned subsidiary of AssetMark Financial Holdings, Inc., which is an indirect subsidiary of Huatai Securities, Co., Ltd. ("HTSC") a financial services and securities brokerage firm, incorporated in China and listed on the Shanghai and Hong Kong stock exchanges. AssetMark is an investment adviser registered with the SEC that provides various investment supervisory services to a variety

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of clients. AssetMark is the sponsor of the Platform through which it offers its advisory services to its clients. AssetMark receives client referrals through representatives of broker-dealer firms and investment advisory firms such as the Company (these firms are referred to as “**Financial Firms**”). AssetMark manages each client account according to the client’s selected Solution Types under the terms of an AssetMark Investment Management Services Agreement. In addition to the investment supervisory services offered clients directly by AssetMark upon referral by Financial Firms like the Company, the Platform Solution Types are offered by such Financial Firms serving as the investment adviser for their clients with accounts invested through the Platform. For these Financial Firms and their clients, AssetMark serves as the Platform sponsor and provides the Financial Firms with administrative and consulting services. **Note that the Company is not an affiliate of AssetMark or its related persons.**

Item 9 – Disciplinary Information

As a registered investment adviser, the Company is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Company or the integrity of the Company’s management.

The Company has NOT been subject to any disciplinary actions. The Company’s information is available on the SEC’s Search Investment Adviser web portal:

[http://www.adviserinfo.sec.gov/\(S\(r3reeve3otmja0bgyk3jy3uts\)\)/IAPD/Content/Search/iapd_Search.aspx](http://www.adviserinfo.sec.gov/(S(r3reeve3otmja0bgyk3jy3uts))/IAPD/Content/Search/iapd_Search.aspx).

The disciplinary information about the owner/directors/principals⁷ and investment adviser representatives of the Company may be reviewed in the Brochure Supplement (Supp. 3) to this Firm Brochure.

Item 10 – Other Financial Industry Activities and Affiliations:

A. INSURANCE:

To the extent specifically requested by a client, the Company may provide limited consultation services to its investment management clients on non-investment related matters in addition to investment management services. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis, for which the Company will not receive any separate or additional fee.

Certain of the Company’s principals and associated persons are licensed insurance agents of *Network 1 Financial Assurance Corporation*.⁸ In such capacity, they may recommend, on a fully disclosed basis, the purchase of certain insurance-related products.

B. BROKERAGE:

Unless directed otherwise by a client, the Company will effect its securities transactions through Network 1 Securities, an SEC-registered broker-dealer and member of FINRA and SIPC.

The brokerage commissions charged by Network 1 Securities may be higher or lower than those charged by other broker-dealers.

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In addition, Network 1 Securities, with respect to client purchases of mutual fund shares, may also receive additional ongoing 12b-1 “trailing” commission compensation directly from the mutual fund company’s distributor during the period that the client maintains the mutual fund investment. Network 1 Securities must pay such 12b-1 trailing commissions to the Company as fees for ongoing management services.

Prior to effecting any transactions, a client must execute and submit a new account agreement with Network 1 Securities, the Company’s affiliate and its preferred broker-dealer.

In return for providing certain administrative and supervisory functions, Network 1 Securities may receive a portion of the Company’s investment management fee. However, at all times, the Company, not Network 1 Securities, will be acting as the investment adviser to the client.

Network 1 Securities, as a FINRA member, has an obligation under FINRA’s rules and regulations to maintain certain books and records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require Network 1 Securities to coordinate with, and have the cooperation of, the account’s custodian.

In certain instances, Network 1 Securities will collect, as paying agent for the Company, the investment advisory fees to be paid to the Company by the account custodian, and Network 1 Securities will retain a portion of the Company’s fees as compensation for Network 1 Securities’ administrative and supervisory functions. The portion of the Company’s fee retained by Network 1 Securities is derived directly and exclusively from the Company’s compensation, and therefore, will not result in an increase in execution or brokerage charges to a client or an increase to the investment management fee a client has agreed to pay the Company pursuant to the terms of the Investment Advisory Agreement. A portion of the fee retained by Network 1 Securities may be re-allowed to other investment adviser representatives who, as registered representatives of Network 1 Securities, are responsible for the supervision of other investment adviser representatives and assist Network 1 Securities with the functions described above.

Network 1 Securities is engaged in the purchase, sale and underwriting of securities to customers such as individual investors, pension and profit-sharing plans, and corporate, trust, estate and retirement accounts. Network 1 Securities is a market maker for several OTC issuers whose securities may be recommended by the Company for purchase by its client when suitable for the client in accordance with the client’s financial situation and investment objectives. Network 1 Securities may be an underwriter/solicitor at times, and may recommend purchases in private placements and/or initial public offerings.

William R. Hunt, Jr., officer and principal of the Company, is also a General Securities Principal, Financial and Operations Principal, and Registered Options Principal of Network 1 Securities.

C. CLEARING ARRANGEMENTS:

Unless a client directs otherwise, the Company shall primarily recommend that the broker-dealer for all investment management accounts be Network 1 Securities and that the account be maintained at Axos Clearing LLC (“**Axos Clearing**”), a wholly-owned subsidiary of Axos Securities, LLC and indirect subsidiary of Axos Financial, Inc. Axos Clearing is a broker-dealer registered with the SEC and a FINRA-member, and a custodian that is the clearing broker-dealer

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for securities transactions executed by Network 1 Securities as an introducing broker-dealer on behalf of the Company.

The Company may also recommend third-party advisers to clients on a fully disclosed basis. In recommending the services of Network 1 Securities and Axos Clearing to its clients, the Company considers their respective financial strength, reputation, reporting processes, execution, and pricing, among other factors.

Broker-dealers/custodians charge commissions and/or transaction fees for effecting certain securities transactions (*i.e.*, transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity/debt securities transactions).

In addition to the Company's investment management fee, brokerage commissions, and/or transaction fees, a client that has purchased mutual fund shares will also incur charges imposed at the mutual fund level (*e.g.*, management fees and other fund expenses). Network 1 Securities and Axos Clearing enable the Company to obtain many no-load mutual funds without transaction charges and other no-load mutual funds at nominal transaction charges.

The commissions and/or transaction fees charged by Network 1 Securities and Axos Clearing, respectively, may be higher or lower than those charged by other broker-dealers/custodians.

The Company will not receive any portion of the commissions and/or transaction fees charged by Network 1 Securities and Axos Clearing, respectively, to a client for investment execution services; *however*, if securities transactions for client accounts are effected through the principals and/or associated persons of the Company, when conducting business as registered representatives of Network 1 Securities, both Network 1 Securities and the Company's principals and/or associated persons may receive commissions and/or transaction fee compensation as registered representatives of Network 1 Securities

In return for effecting securities brokerage transactions through Network 1 Securities and Axos Clearing, or any other designated broker-dealer/custodian, the Company may receive certain services that assist the Company in its investment decision making process for its clients, all of which transactions shall be in compliance with the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934.

The Company considers the commissions paid by its clients to Network 1 Securities to be highly competitive with standard industry rates. However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Company determines, in good faith, that the commission is reasonable in relation to the value of the brokerage services rendered. The respective fees charged by Network 1 Securities and Axos Clearing, or any other designated broker-dealer or custodian, are exclusive of, and in addition to, the Company's investment management fee.

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D. FIRM AFFILIATIONS:

1. Network 1 Financial Assurance Corporation, Inc.

- The Company, Network 1 Financial Assurance Corporation, Inc. and Network 1 Securities are “related persons” as this term is used in Form ADV.⁹
- Network 1 Financial Assurance Corporation, Inc.’s principal, William R. Hunt, Jr., is also a principal of the Company
- Network 1 Financial Assurance Corporation, Inc. maintains its offices on the same premises as the Company and Network 1 Securities in Red Bank, New Jersey.

2. Network 1 Financial Securities, Inc. (“Network 1 Securities”)

- The principals of the Company are also principals of Network 1 Securities, an SEC registered broker-dealer and a member of FINRA and SIPC.
- Network 1 Securities maintains its offices on the same premises as the Company and Network 1 Financial Assurance Corporation, Inc. in Red Bank, New Jersey.

3. Axos Clearing, LLC.

- Axos Clearing, LLC is NOT a “related person” (as this term is used in Form ADV) of the Company, Network 1 Financial Assurance Corporation, Inc., and Network 1 Securities, Inc.
- Axos Clearing, LLC has its principal place of business at 15950 West Dodge Road, Suite 300, Omaha, Nebraska 68118 .

4. Monmouth Investment Advisors, LLC.

- The Company maintains a sub-advisory arrangement with Monmouth Investment Advisors, LLC (an unaffiliated investment adviser owned by Richard L. Eckhoff, a registered representative of Network 1 Securities, as well as a licensed agent for and President of Network 1 Financial Assurance Corp.)
- Monmouth Investment Advisors, LLC has its principal business location at 1177 West Front Street, Lincroft, New Jersey 07738.
- Monmouth Investment Advisors, LLC is NOT a “related person” (as this term is used in Form ADV) of the Company, Network 1 Financial Assurance Corporation, Inc., and Network 1 Securities.

6. Network 1 Financial Fund Adviser, LLC

- William R. Hunt, Jr., President of the Company, is also President of Network 1 Financial Fund Adviser, LLC, an investment adviser to Investors League Special Opportunity Fund I, L.P. and Network 1 Special Opportunities Fund LP.
- Network 1 Financial Fund Adviser, LLC maintains its offices within the corporate offices of the Company in Red Bank, New Jersey and, until January 1, 2023, engaged the Company

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ADVISORS, INC.

as a sub-adviser to Investors League Special Opportunity Fund I, L.P. and Network 1 Special Opportunities Fund LP, and.

7. Network 1 Financial Capital Management, LLC

- Certain principals of the Company are also principals of Network 1 Financial Capital Management, LLC, the general partner of Investors League Special Opportunity Fund I, L.P. and Network 1 Special Opportunities Fund LP.
- Network 1 Financial Capital Management, LLC maintains its offices within the corporate offices of the Company in Red Bank, New Jersey.

8. Network 1 Financial China, Inc.

- Certain principals of the Company are also principals of Network 1 Financial China, Inc. a consulting firm for companies seeking business in China or Chinese companies seeking to enter into the US market.
- Network 1 Financial China, Inc. maintains its offices within the corporate offices of the Company in Red Bank, New Jersey.

9. Investors League Special Opportunity Fund I, L.P.

- Certain principals of the Company are also principals of Network 1 Financial Capital Management, LLC, the general partner of Investors League Special Opportunity Fund I, L.P.
- The Company is a sub-adviser to Investors League Special Opportunities Fund I LP.

10. Network 1 Financial Digital Assets, Inc.

- Certain members and principals of the Company are also principals of Network 1 Financial Digital Assets, Inc. a trading platform for purchase and sale of digital currency.
- Network 1 Financial Digital Assets, Inc. maintains its offices on the same premises as the Company, Network 1 Financial Assurance Corporation, Inc. and Network 1 Securities in Red Bank, New Jersey.

11. Network 1 Special Opportunities Fund, LP

- Certain principals of the Company are also principals of Network 1 Financial Fund Adviser, LLC, an investment adviser to Network 1 Special Opportunities Fund, LP)
- The Company was, until January 1, 2023, a sub-adviser to Network 1 Special Opportunities Fund LP.

E. INVESTMENT ADVISER REPRESENTATIVE OUTSIDE AFFILIATIONS:

- William Richard Hunt, Jr., Miguel DeLeon Zarraga, Jr., and Stephen Litwok have referral accounts with Network 1 Securities.

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- Gary S. Kurtzman is an investment adviser representative of the Company who has investment advisory client accounts that are transacted through brokerage accounts with Network 1 Securities.
- Richard H. Neubert is an investment adviser representative of the Company who has investment advisory client accounts that are transacted through brokerage accounts with Network 1 Securities.

Item 11 – Code of Ethics

The Company is resolved to apply high standards and ethical procedures with regard to the services that it provides. The Company has implemented an investment policy covering personal securities transactions and is part of the Company's Code of Ethics, which serves to establish a standard of business conduct for all of the Company's associated persons based upon fundamental principles of openness, integrity, honesty and trust. A copy of the Code of Ethics is available from the Company upon request.

Investment Policy (Covered Persons)

No employee of the Company may effect for himself or herself or for his or her immediate family (*i.e.*, spouse, minor children) (collectively "**Covered Persons**") any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of the Company's clients. If the Company is purchasing or selling or considering for purchase or sale any security on behalf of its client, no Covered Person may undertake a transaction with respect to that security for his/her personal account or an account in which the Covered Person has a beneficial interest prior to the Company's completion of a client transaction or until a decision has been made not to purchase or sell the security on behalf of a client.

Exception: This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of the Company's clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above upon the review and at the discretion of the Company.

Corporate Social Responsibility

The Company strives to give strong consideration to investing with the objectives of corporate social responsibility (CSR) and environment/social/governance (ESG) sustainability, balancing such interests with the overriding goal of enhancing our clients' investment results.

Item 12 – Brokerage Practices

As stated in Item 10.B, above, the Company and Network 1 Securities are "related" entities.

A client may engage the Company's associated persons, in their individual capacities as registered representatives of Network 1 Securities, to implement investment recommendations on a fully-disclosed basis, with the opportunity for those registered representatives to earn commission income. Accordingly, the Company hereby discloses that Network 1 Securities.

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- As principal, buys securities for its own account and/or sells to any Company client securities that Network 1 Securities owns.
- May engage in “riskless principal” transactions, which are transactions that occur from the purchase of a security into a Firm’s account and immediately selling that security to a customer at the same price as the purchase.¹⁰
- As broker or agent, effects securities transactions for compensation for any Company client.
- As broker or agent for others (other than the Company’s clients), effects transactions in which Company client securities are sold or bought from other customers of Network 1 Securities.
- Recommends to Company clients that they buy or sell securities or investment products in which both the Company and Network 1 Securities have some financial interest.
- Buys or sells for itself (a “principal trade”) and for the Company securities that it also recommends to the Company and its clients.

The Company does not have any soft-dollar arrangements with, nor does it receive any soft-dollar benefits from, Network 1 Securities or any other broker-dealer.

The Company reimburses Network 1 Securities at a minimum on a quarterly basis for sharing of certain expenses, including but not limited to administrative (personnel) support, office space, and technological support (*e.g.*, trading terminals, computer hardware and software programs, etc.).

Item 13 – Review of Accounts

For clients to whom the Company provides investment supervisory services, account reviews are conducted on an ongoing basis by the Company’s Director and manager, Network 1 Securities compliance staff (for transactions through Network 1 Securities) and/or the following associated persons.

- William R. Hunt, Jr.¹¹
- Miguel DeLeon Zarraga, Jr.¹²
- Stephen Litwok¹³
- Gary Steven Kurtzman¹⁴
- Richard Herbert Neubert¹⁵

Trades, account holdings, account performance and client objectives are reviewed quarterly and annually.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian (Axos Clearing) for client accounts. Those clients to whom the Company provides investment supervisory services will also receive a statement each quarter from Axos Clearing or SEI or AssetMark.

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All investment and financial planning clients are reminded that it remains their responsibility to discuss with the Company such client's investment objectives, needs and goals, and to keep the Company informed of any changes regarding same. All clients are encouraged to meet periodically with the Company to comprehensively review financial planning issues, investment objectives and account performance.

Item 14 – Client Referrals and Other Compensation

If a client is introduced to the Company by either an unaffiliated or an affiliated solicitor, the Company may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act, and any corresponding state securities law requirements.

- Any such referral fee shall be paid solely from the Company's investment management fee, and shall not result in any additional charge to a client.
- If a client is introduced to the Company by an *unaffiliated* solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of this Brochure together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Company and the solicitor, including the compensation to be received by the solicitor from the Company.
- An *affiliated* solicitor of the Company shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of this Brochure.

In certain situations, the Company may receive client referrals from investment adviser representatives who are also associated persons of FINRA members, including Network 1 Securities. Such referring representatives, *except* those of Network 1 Securities., shall act as unaffiliated solicitors of the Company.

- In these situations, the Company's client may choose to maintain the existing brokerage relationship with the unaffiliated solicitor and his/her broker-dealer for the purpose of effecting the securities transactions recommended for a client account by the Company.
- As a result of this directed brokerage relationship, the unaffiliated solicitor and broker-dealer through whom a client has directed the placement of securities transactions may receive both commission and/or transaction fee compensation from a client account and a referral fee from the Company.

Item 15 – Custody

Prior to engaging the Company to provide investment management services, a client will be required to enter into a formal Investment Advisory Agreement with the Company setting forth the terms and conditions under which the Company shall manage the client's assets.

The Company's Investment Advisory Agreement shall authorize the investment advisory account custodian (Axos Clearing) and, with respect to the MAP program, SEI, to debit the account for the amount of the Company's investment management fee and to directly remit that management fee to the Company in accordance with required SEC procedures.

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The Investment Advisory Agreement between the Company and a client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. The Company's investment management fee shall be pro-rated through the date of termination and the client shall, promptly, pay any management fee due.

Investment management clients will receive monthly or quarterly statements and confirmation of transactions from the firm acting as custodian on those accounts. The Company urges clients to carefully review such statements and compare such official custodial records to the statements and reports that we may provide each client. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

The Company allocates investment management assets of its client accounts on a discretionary and non-discretionary basis. Investment management assets are allocated among various individual debt and equity securities, among no load and/or load-waived mutual funds, and/or among one or more of the Company's proprietary investment management strategies (*i.e.* Buy-Write, Advanced Income, ETF Growth, Disciplined Growth, Active Market and Strategic Asset Allocation)²¹ in accordance with the investment objectives of the client.

The Company, in accordance with the Investment Advisory Agreement, usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold.

Any limitations on this discretionary authority shall be set forth in a separate writing that must be agreed to by the Company and serves as an amendment to the Investment Advisory Agreement.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, the Company does not have any authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client accounts. However, the Company may provide advice to clients regarding a client's voting of proxies.

Item 18 – Financial Information

Because the Company and its investment adviser representatives do not have custody of client funds or securities the Company is not required to provide its clients a balance sheet for the most recent fiscal year.¹⁶

The Company has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State Registered Advisers

The following individual is the principal executive officer and management person of the Company:

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- William R. Hunt, Jr. is President and a shareholder/co-owner of the Company and the trustee for Article Third Trust U/W/O Richard W. Hunt F/B/O Madison Hunt, William R. Hunt Jr., Trustee.

Information regarding the formal education and background of these individuals is provided in Brochure Supplement at Supp. 2. For additional information about disclosable events of the Company please see Item 9, "Disciplinary Information," above. Disciplinary information about the owners and investment adviser representatives of the Company may be reviewed in the Brochure Supplement at Supp. 3.

INVESTOR PROTECTION INFORMATION FORM (NJBOS Form 8)

See: <https://www.njconsumeraffairs.gov/bos/bosforms/Form-8-Investor-Protection-Form.pdf>

(Pursuant to N.J.A.C. 13:47A-2.14)

The New Jersey Bureau of Securities ("Bureau"), an arm of the Office of the New Jersey Attorney General, is charged with protecting investors from investment fraud, and regulating the securities industry in New Jersey. In addition to bringing investigative and enforcement actions against firms or individuals who violate the New Jersey Uniform Securities Law and regulations thereunder, the Bureau registers securities offered or sold in New Jersey and oversees the firms and individuals selling securities or providing investment advice to or from New Jersey. Investors can contact the Bureau to research the professional background of current and former registered broker-dealers, investment advisers, agents, and investment adviser representatives.

To research a financial professional, contact the Bureau via phone at 1-866-I-Invest (within New Jersey) or at 973-504-3600 (both within and outside New Jersey) or via e-mail at njbos@lps.state.nj.us.

Investors can also file complaints with the Bureau against individuals and firms selling securities or offering investment advice, as well as companies issuing securities investments directly.

To file a complaint or learn more about the Bureau, visit the Bureau's website at www.NJSecurities.gov.

NOTICE FOR PENNSYLVANIA RESIDENTS ONLY:

In accordance with Pennsylvania Code (10 Pa. Code § 404.011), this brochure and one or more supplements required by 10 Pa. Code § 404.011 shall either (i) be delivered by the Company to a prospective client at least 48 hours prior to the Company entering into any investment advisory contract with the prospective client, or (ii) at the time of entering into a contract, the advisory client shall have the right to terminate the contract without penalty (*i.e.*, for a full refund of any payments, if applicable) within 5 business days after entering into the contract.

This disclosure must also be set forth in each investment advisory agreement between the Company and Pennsylvania clients.

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ADVISORS, INC.

Supp. 1 – Cover Page

FIRM BROCHURE SUPPLEMENT

(March 31, 2023)

Because **NETWORK 1 FINANCIAL ADVISORS, INC.** (the “**Company**”) is registered as an investment adviser with several state securities authorities, the Company provides in this Brochure Supplement additional information about its owners, executive officers, supervisors, and investment adviser representatives (“**Supervised Persons**”).

This brochure supplement provides information about each Supervised Person identified herein that supplements the Company’s brochure. You should have received a copy of that brochure. Please contact Mr. William R. Hunt, Jr. if you did not receive the Company’s brochure or if you have any questions about the contents of this Supplement.

Additional information about each Supervised Person is available on the SEC’s website at www.adviserinfo.sec.gov.

NETWORK **1** FINANCIAL ADVISORS, INC.

Supp. 2 – Education Background and Business Experience

WILLIAM R. HUNT, JR.

Born: 1954

Relationship to Company:

- Co-Owner
- President
- Supervisor of investment adviser representatives of Network 1 Financial Advisors, Inc.

Educational Background:

- Trenton State College – B.S., Business Administration; Minor - Psychology (1976)

Business Background:

- Network 1 Financial Advisors, Inc. – CEO, President, Treasurer (November 2008 - Present); Vice President/Treasurer (June 1998–November 2008); Shareholder (June 1998-Present)
- Network 1 Financial Securities, Inc. – President (March 1988–Present); Chief Financial Officer, Chief Operating Officer (March 1993 – Present) Chief Executive Officer (April 21 to Present).
- Network 1 Financial Assurance Corporation – CFO, Treasurer (May 1998 – Present)
- Network 1 Financial Fund Adviser, LLC – Managing Advisor (May 2013 – Present)
- Shark River Investors, LLC – Member – (December 2002–Present)
- Network 1 Digital Assets, Inc. – President (June 2019 – Present)
- Network 1 Financial Assurance Corporation – Vice-President (May 1998 – Present)
- Network 1 Financial China, Inc. – Secretary (2013 – Present)
- National Financial Services Group, Inc. – Vice President, CFO (April 1993 – Present) Acting president (April 21 to Present)
- Network 1 Financial Group, Inc. (majority owner of Network 1 Securities, and member of Network 1 Capital Management, LLC) – President (June 2009 – January 2011); Secretary (January 2011 – Present); Member of Board of Directors (June 2009 – Present)

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- Adviser to Network 1 Capital Management LLC, the general partner of Investors League Opportunity Fund I, L.P. (May 2013-Present)
- President of WD Clearing, Corp. a company incorporated to acquire and manage a securities clearing firm (the business plan has not been implemented as of the date of this ADV) May 2017- present.

MIGUEL DeLEON ZARRAGA, Jr. Born 1951

Relationship to Company:

- Investment Adviser Representative

Educational Background:

- University of Philippines – B.S., Business Administration (1970)
- George Washington University – MBA (1972)

Business Background:

- Network 1 Financial Advisors, Inc. – Manager (March 2003 – Present)
- Network 1 Financial Securities, Inc. – Senior VP, Business Development (November 1997 – Present)
- Network 1 Financial Assurance – Principal (May 1998 – Present)
- Access International Group – President (1995 – Present)

STEPHEN LITWOK Born 1954

Relationship to Company:

- Investment Adviser Representative

Educational Background:

- Massachusetts Institute of Technology – B.S. Math (1976)
- Fairleigh Dickinson University – M.S. Computer Science (1989)

Business Background:

- Network 1 Financial Advisors, Inc. – Manager (April 2003 – Present)

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- Network 1 Financial Securities, Inc. – Senior Financial Consultant (October 1997 – Present)

GARY S. KURTZMAN Born 1962

Relationship to Company

- Investment Adviser Representative

Educational Background:

- State University of New York at New Paltz – B.S. Business Administration (1984)

Business Background:

- Network 1 Financial Advisors, Inc. – Manager (January 2002 – Present)
- Network 1 Financial Securities, Inc. – Chief Market Strategist (April 1999 – Present)

RICHARD H. NEUBERT Born 1955

Relationship to Adviser:

- Investment Adviser Representative

Educational Background:

- Ramapo High School (1975)
- License Insurance Agent – Network 1 Financial Assurance, Inc. October 2003 - Present

Business Background:

- Network 1 Financial Advisors, Inc. – Manager (January 2013 – Present)
- Network 1 Financial Securities, Inc. – Branch Manager; Registered Representative (October 2003 – Present)

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Supp. 3 – Disciplinary Information

William R. Hunt, Jr.'s reportable information can be accessed through the Investment Adviser Representative search engine located at the following SEC Web Site:
[http://www.adviserinfo.sec.gov/\(S\(vofz4lctr1xbn1onq1pifbk3\)\)/IAPD/Content/Search/iapd_Search.aspx](http://www.adviserinfo.sec.gov/(S(vofz4lctr1xbn1onq1pifbk3))/IAPD/Content/Search/iapd_Search.aspx).

Miguel DeLeon Zarraga, Jr.'s reportable information can be accessed through the Investment Adviser Representative search engine located at the following SEC Web Site:
[http://www.adviserinfo.sec.gov/\(S\(vofz4lctr1xbn1onq1pifbk3\)\)/IAPD/Content/Search/iapd_Search.aspx](http://www.adviserinfo.sec.gov/(S(vofz4lctr1xbn1onq1pifbk3))/IAPD/Content/Search/iapd_Search.aspx).

Robert Yrshus' reportable information can be accessed through the Investment Adviser Representative search engine located at the following SEC Web Site:
[http://www.adviserinfo.sec.gov/\(S\(vofz4lctr1xbn1onq1pifbk3\)\)/IAPD/Content/Search/iapd_Search.aspx](http://www.adviserinfo.sec.gov/(S(vofz4lctr1xbn1onq1pifbk3))/IAPD/Content/Search/iapd_Search.aspx).

Alice McKeon's reportable information can be accessed through the Investment Adviser Representative search engine located at the following SEC Web Site:
[http://www.adviserinfo.sec.gov/\(S\(vofz4lctr1xbn1onq1pifbk3\)\)/IAPD/Content/Search/iapd_Search.aspx](http://www.adviserinfo.sec.gov/(S(vofz4lctr1xbn1onq1pifbk3))/IAPD/Content/Search/iapd_Search.aspx).

Gregory Melendez reportable information can be accessed through the Investment Adviser Representative search engine located at the following SEC Web Site:
[http://www.adviserinfo.sec.gov/\(S\(vofz4lctr1xbn1onq1pifbk3\)\)/IAPD/Content/Search/iapd_Search.aspx](http://www.adviserinfo.sec.gov/(S(vofz4lctr1xbn1onq1pifbk3))/IAPD/Content/Search/iapd_Search.aspx)

Stephen Litwok has no reportable disciplinary history.

Gary S. Kurtzman has no reportable disciplinary history.

Richard H. Nuebert has no reportable disciplinary history.

Dominic Recchia has no reportable disciplinary history

Robert Telfer Swikart has no reportable disciplinary history

Katrina Golden has no reportable disciplinary history

Erli Wang has no reportable disciplinary history

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ADVISORS, INC.

Supp. 4 – Other Business Activities

William R. Hunt, Jr. is an executive officer of and registered representative for Network 1 Securities and an owner, principal and insurance agent of Network 1 Financial Assurance Corp., Inc. Mr. Hunt is an adviser to Network 1 Financial Fund Advisers, Inc., the adviser to Investors League Special Opportunity Fund I, L.P. and Network 1 Special Opportunities Fund, LP. Mr. Hunt is also a: (i) member of Shark River Investors, LLC; (ii) former member of the Board of Directors of Harker's Hollow Golf Course (which filed for bankruptcy in 2011); (iii) vice president and treasurer of National Financial Services Group; (iv) Secretary of Network 1 Financial Group, Inc. and (v) Secretary of Network 1 Financial China, Inc. With the exception of Network 1 Securities, Network 1 Financial Fund Advisers, LLC, and Network 1 Financial Assurance, Corp., the aforementioned business activities are non-investment related business activities. Mr. Hunt is a major shareholder and President of WD Clearing Corp., which is engaged in an investment-related business (processing and clearing securities). Company clients' securities transactions that are cleared through WD Clearing Corp. may result in profits in which Mr. Hunt will share as an owner of WD Clearing Corp.

Miguel DeLeon Zarraga, Jr. is a registered representative for Network 1 Financial Securities and an insurance agent for, Network 1 Financial Assurance Corporation, Inc. Mr. Zarraga is also President of Access International Group. Mr. Zarraga is a former member of the Board of Directors of Harkers Hollow Golf Course (which filed for bankruptcy in 2011). With the exception of Network 1 Securities and Network 1 Financial Assurance Corporation, Inc., the aforementioned business activities are non-investment related business activities.

Stephen Litwok is a registered representative for Network 1 Securities.

Gary S. Kurtzman is a registered representative of Network 1 Securities.

Richard H. Neubert is an investment adviser representative of the Company who has advisory client accounts that are transacted through brokerage accounts with Network 1 Securities. He is also an insurance agent of Network 1 Financial Assurance Corp. and he maintains life insurance appointments with Genworth Financial, John Hancock, and Security Mutual. He provides long-term care insurance through W.O. Miller and Associates and secures insurance referral business through the Steven Glick CFP® American Business & Professional Program, Inc. Neither Genworth, nor John Hancock, nor Security Mutual, nor Roster Financial, nor W.O. Miller and Associates, nor the Steven Glick CFP® American Business & Professional Program, Inc. are affiliates of or related to the Company, Network 1 Financial, or Network 1 Financial Assurance Corp.

Supp. 5 – Additional Compensation

None of the following individuals has an arrangement whereby an individual or entity who is not an advisory client provides economic benefit to such individual for providing advisory services to

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ADVISORS, INC.

the Company's clients: William R. Hunt, Jr., Miguel DeLeon Zarraga, Jr., Steven Litwok, Gary S. Kurtzman, Robert T. Swikart, Richard H. Neubert, Alice McKeon, and Robert Yrshus.

Supp. 6 - Supervision

Supervisor of the Company: William R. Hunt, Jr.

Title: President

Phone Number: 1-800-866-7007

Supervisory oversight practices are in compliance with requirements of applicable regulatory agencies through review of reports generated by the affiliate entity clearing firm.

Supp. 7 – Requirements for State-Registered Advisers [Supervised Persons]

In addition to the information presented above in this Brochure, Item 19 of Part 2A of the Form ADV requires the disclosure of material facts on reportable information, if any, regarding the Company or any of its "management persons"¹⁷ for the following events: (i) an award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following: (a) an investment or an investment-related business or activity; (b) fraud, false statement(s), or omissions; (c) theft, embezzlement, or other wrongful taking of property; (d) bribery, forgery, counterfeiting, or extortion; or (e) dishonest, unfair, or unethical practices; (ii) an award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following: (a) an investment or an investment-related business or activity; (b) fraud, false statement(s), or omissions; (c) theft, embezzlement, or other wrongful taking of property; (d) bribery, forgery, counterfeiting, or extortion; or (e) dishonest, unfair, or unethical practices, or (iii) if the supervised person has been the subject of a bankruptcy petition.

Reportable information, if any, on the Company's management persons can be accessed on the SEC's "Investment Adviser Public Disclosure (IAPD) System" web site under the link to "Investment Adviser Search" at:

[http://www.adviserinfo.sec.gov/\(S\(vofz4lctr1xbn1onq1pifbk3\)\)/IAPD/Content/Search/iapd_Search.aspx](http://www.adviserinfo.sec.gov/(S(vofz4lctr1xbn1onq1pifbk3))/IAPD/Content/Search/iapd_Search.aspx).

[Endnotes start on next page]

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ADVISORS, INC.

ENDNOTES

¹ An ERISA “3(38)” investment adviser *affirmatively makes investment decisions*, approving and implementing the recommendations made for the plan. In developing the investment menu, a 3(38) investment adviser must still follow an investment policy statement (“**IPS**”) prepared by the plan administrator or trustee, in consultation with the investment adviser. In contrast, a “3(21)” adviser provides only investment *recommendations* (*i.e.*, in the context of a participant-directed plan such as a 401(k) plan, this means recommending or selecting the plan’s investment menu). The plan sponsor retains the investment determination, *i.e.*, whether to actually take and implement the 3(21) adviser’s recommendations, and remains responsible for taking action to implement them.

² *Risk of Loss Disclosure*: Securities investments are not guaranteed and the client may lose money on investments, including loss of principal. For this reason, the Company asks that the client work with it to assist the Company’s understanding of the client’s tolerance for risk.

³ “*Terms of Art*” *Disclosures*:

- **Charting**: In this type of technical analysis, the Company, through its investment adviser representatives, reviews charts of market and security activity in a good faith attempt to identify when the marking is moving up or down, and to attempt to predict, within reasonable limits of probability, how long the trend may last and reverse itself.
- **Fundamental Analysis**: The Company, through its investment adviser representatives, attempts to measure the intrinsic value of a security by reviewing financial and economic factors (such as, but not limited to, company management, company financial conditions, condition of the industry in which the company participates, and the overall economy); with this information, the Company attempts to determine whether the company is underpriced or overpriced relative to the client’s investment objectives in conjunction with the client’s portfolio.
- **Technical Analysis**: The Company, through its investment adviser representatives, analyzes past market movements in a good faith attempt to recognize recurring patterns of investor behavior and to predict, within reasonable limits of probability, future price movement.
- **Cyclical Analysis**: The Company, through its investment adviser representatives, attempts to measure the movements of a particular stock against the overall market in a good faith attempt to predict, within reasonable limits of probability, the price movement of the security.
- **Analysis Risk**: When undertaking one or more of the aforementioned methods of analysis in conjunction with public and/or subscription sources of information, the Company, through its investment adviser representatives, relies on the assumption that the data provided by these available sources of information about companies and

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their securities is reported accurately. Thus, there is always the risk that adviser analysis may be compromised by inaccurate or misleading information.

- **Long-Term Purchases:** These involve purchases of securities with the intention of holding them in the client Account for a year or longer. Typically, this is done when there is reasonable belief that these securities are currently undervalued and/or there is desire for exposure to a particular asset class over time, discounting the current projection for this class, because of a reasonable belief of some benefit to the client Account.
- **Long-Term Purchase Strategy Risk:** By holding the security for a year or longer, there is the potential for risk that the adviser may not take advantage of short-term gains that might be profitable. Furthermore, the security held for the long term may decline sharply in value before the decision is made to sell this security.
- **Short-Term Purchases:** These involve purchases of securities with the intention of selling them within a relatively short time (*i.e.*, a year or less). Typically, this is done in an attempt to take advantage of conditions that the adviser reasonably believes will soon result in a price swing for these securities.
- **Short Sales:** This strategy involves borrowing shares of a stock from someone who owns this stock in consideration of an enforceable promise to replace these shares on a future date at a certain price. These borrowed shares are then sold. On the agreed-upon future date, the adviser buys the same stock and returns the shares to the original owner.
- **Short Sale Risk:** This strategy and its profitability potential is premised on the expectation that the stock will go down in price after the adviser has borrowed the shares, so that the adviser has in effect bought the securities at a price lower than he sells them. Therefore, Short Sale Risk involves the risk that the price of the stock will move in this intended direction.
- **Margin Transactions:** This strategy involves purchases of stocks for a client's portfolio with money borrowed from the client's brokerage account. As a general principle, this allows the client to purchase new securities without paying the full price of the security at settlement of the trade by means of money lent by the brokerage firm against a percentage of the value of the securities in the client's brokerage account.
- **Margin Risk:** Because the securities in the client's brokerage account are collateral for transactions conducted on margin, the client's portfolio is subject to risk of being liquidated in the event that the price of the securities in his/her account move in a direction that cause the value of the Account to go "below" margin limits, thereby triggering a "margin call"- that is, an undesired liquidation of securities from the client's perspective.
- **Option Writing:** The term "writing" refers to the act of selling stock options.
 - A Call Option gives the adviser the right to buy a security at a certain price within a specified period of time. When "writing a Call Option", the client (through his/her adviser) sells to the other party to the option contract the right to buy the underlying security from the client at a price certain within a specific period of time.
 - A Put Option gives the adviser the right to sell a security at a certain price within a specified period of time. When "writing a Put Option", the client (through his/her adviser) sells to the other party to the option contract the right to sell the underlying security to the client at a price certain within a specified period of time.

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- Covered Options: An option contract is “covered” when it is backed by the shares of the security underlying the option. There are two types: Covered Call and Covered Put.
 - Covered Call: In this strategy, the adviser sells an option contract that is backed by the shares of the underlying option contract.
 - Covered Call Risk: The “covered call” strategy is an attempt to take advantage of a neutral or declining price of a security. If the option contract expires unexercised, the writer (*i.e.*, the client) keeps the premium. If the holder of the option contract (*i.e.*, the party on the other side of the client’s option contract) exercises the option, the client must deliver the security; but, because the client already owns the stock, his/her risk is *limited*.
 - Covered Put: In this strategy, you are selling the underlying stock and simultaneously selling a put against that security (*i.e.*, selling to the party on the other side of the option contract the right to sell the same security back to you) in the hope of profiting from a stagnant or bearish market.
 - Covered Put Option Risk: The risk of a short covered put is high, as there is no protection if the stock moves significantly upward. Since client has sold to the contra-party to the option contract the right to sell the underlying stock to client, there is unlimited loss potential as the stock price moves upward. Thus, there is unlimited loss potential.
- Spreading Strategy: In this strategy, the client (through his/her adviser) purchases two or more option contracts (*e.g.*, buying a call option and at the same time selling a call option in the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time, and other factors.

⁴ Through its SEI Advisor Network® platform, SEI and its affiliates (which include SEI Investments Management Corporation (“**SIMC**”), an investment adviser registered with the U.S. Securities and Exchange Commission (“**SEC**”); SEI Private Trust Company (“**SPTC**”), a limited purpose federally chartered thrift organization supervised by the Office of the Comptroller of the Currency (**OCC**); and SEI Investments Distribution Company (“**SIDCO**”), each located at 1 Freedom Valley Drive, Oaks, Pennsylvania 19456 (collectively, “**SEI**”), offer a suite of investment and related middle-office and back-office services to investment advisers and other financial professionals (the “**SEI Advisor Network**”).

- *SEI Investments Company* is a public company (Nasdaq: SEIC), provides investment processing, fund processing, and investment management business outsourcing solutions to corporations, financial institutions, financial advisers, and ultra-high-net-worth families through its various subsidiaries and partnerships in the United States, Canada, the United Kingdom, continental Europe, and other various locations throughout the world.
- *SEI Private Trust Company (SPTC)* is a limited purpose thrift and a wholly owned subsidiary of SEI Investments Company.
- *SEI Investments Distribution Company (SIDCO)* is a wholly owned subsidiary of SEI Investments Company. SIDCO is a broker registered with the SEC, the Financial Industry Regulatory Authority (FINRA), and the securities commissions in the several States, the District of Columbia, and Puerto Rico. SIDCO is the principal underwriter and distributor of shares in various regulated investment companies (funds) offered by SEI.

⁵ *SEI Investments Management Corporation* is the adviser to the SEI funds, which are distributed by SEI Investments Distribution Co (SIDCO). SIMC and SIDCO are wholly owned subsidiaries of SEI Investments Company.

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- For those SEI funds that employ the “manager of manager” structure, SEI Investments Management Corporation has the ultimate responsibility for the investment performance of the fund due to its responsibility to oversee the sub-advisers and recommend their hiring, termination, and replacement.

⁶ For further information on AssetMark, please search for that firm’s latest SEC Form ADV, Part 2 Brochure filing at https://adviserinfo.sec.gov/IAPD/Part2Brochures.aspx?ORG_PK=109018. **Note that the Company is not an affiliate of AssetMark or its related persons.**

⁷ For purposes of this form, “*principal*” shall mean any person associated with a company, including, but not limited to, a sole proprietor, officer, partner, director or other person occupying a similar status or performing similar functions, who is actively engaged in the management of the member’s business, such as supervision, solicitation, conduct of business, or training of persons associated with a company.

⁸ Network 1 Financial Assurance Corporation is an actively licensed insurance company licensed with the Department of Insurance of the State of New Jersey and authorized to sell fixed and variable insurance and annuities, as well as accident and health insurance products.

⁹ A “related person” includes all entities or natural persons that are controlled by, controls or are under common control with (*i.e.*, common ownership) the Company.

¹⁰ This price that the firm receives or pays for the customer order is called the *reported price*, as appears on the Network 1 customer confirmation statement. The opposite occurs on the sell side, where a customer sells the security into the Firm’s account, which is immediately sold to the street.

¹¹ William R. Hunt, Jr. is a partner/owner of the Company and is dually-registered as a registered representative (broker) with Network 1 Securities and is an insurance agent with Network 1 Financial Assurance Corporation.

¹² Miguel DeLeon Zarraga, Inc. is dually-registered as a registered representative (broker) with Network 1 Financial Securities and is an insurance agent with Network 1 Financial Assurance Corporation.

¹³ Stephen Litwok is dually-registered as a registered representative (broker) with Network 1 Financial Securities.

¹⁴ Gary Steven Kurtzman is dually-registered as a registered representative (broker) with Network 1 Financial Securities.

¹⁵ Robert H. Neubert is dually-registered as a registered representative (broker) with Network 1 Financial Securities.

¹⁶ SEC-registered investments advisers (which the Company is not) are excused from providing a balance sheet if they do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

¹⁷ The Form ADV’s “glossary of terms” defines “management persons” as anyone with the power to exercise, directly or indirectly, a controlling influence over an adviser’s management or policies, or to determine the general investment advice given to the adviser’s clients. Generally, all of the following are management persons: principal executive officers, such as a chief executive officer, chief financial officer, chief operations officer, chief legal officer, and chief compliance officer; directors, general partners, or trustees; and other individuals with similar status or performing similar functions; the members of an adviser’s investment committee or group that determines general investment advice to be given to

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clients; and, if an adviser does not have an investment committee or group, the individuals who determine general investment advice provided to clients.